



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## TARIFF ACTS UNDER THE CONFEDERATION.

The activity of the States in tariff legislation from the close of the Revolution to the adoption of the Constitution is greater than has generally been supposed. Pennsylvania passed as many as fifteen acts, including supplements and amendments, from 1780 to 1788; Massachusetts seven, New York seven, Virginia twelve, Maryland seven, and Connecticut six for 1784–85. New Hampshire, Rhode Island, and New Jersey all had legislation of the same kind. Whether Georgia, the Carolinas, and Delaware passed other acts than those vesting the right in Congress to collect a five per cent. impost, I cannot say with certainty. The field of investigation is a considerable one; and accordingly, in dealing with it, I purpose first to examine the main provisions of the most important acts, and then to ascertain how far the States were influenced in the passage of these acts by ideas of protection.

In July, 1783,\* Massachusetts laid an import duty for the expressed purpose of raising a revenue. The duties were all *ad valorem* and of two grades:—

Nails, looking-glasses, glass, and earthen ware paid . . .	5 per cent.
All other imports, except hemp and salt, paid . . .	2½ per cent.

Goods coming in from other States were subject to the duty, if of foreign growth or manufacture. If brought in by land, the duty was to be paid to the collector of the county where the goods were delivered; but the conductor of the imports must, on entering the State, make oath before a magistrate that the duty would be paid according to law, and confiscation was the penalty for evading the duty. Imports by sea could not be landed without a permit from the naval officer.

An act of June, 1785,† for the regulation of navigation begins: “Whereas it becomes expedient and necessary for this commonwealth to make some commercial regulations for the encouragement of their own trade.” . . . This was distinctly a retaliatory measure. Exportation in British vessels was prohibited on pain of confiscation of the vessel; and tonnage

\* *Laws of Massachusetts*, vol. 1. p. 16.    † *Ibid.*, vol. 1. p. 289.

duty was imposed on foreign vessels, and the duty on goods imported in such vessels was doubled.

By an act of July, 1785,\* Massachusetts took a further step of importance. The preamble reads, "It is highly necessary for the welfare and happiness of all States to encourage agriculture, the improvement of raw materials, manufactures, and a spirit of industry." Specific and ad valorem duties were laid, the latter being divided into six classes:—

2½	per cent.	on woollen and linen cloths and stockings.
5	" "	wrought pewter.
7½	" "	beef, pork, butter, and cheese.
10	" "	sole leather, tanned calf-skins, psalm-books, account books, and nails.
12½	" "	boots, shoes, plated ware, soap, candles, vehicles of all kinds, horse gear, and carpets.
22½	" "	beer, ale, porter, ready-made clothing, wooden furniture, and cabinet-makers' work.

Some of the articles paying specific duties are anchors, axes, scythes, shovels, hoes, cast-iron ware, and British cordage, which was charged double the duty on other foreign cordage. Molasses was exempt. All these duties were in addition to the existing duties, so that the duty on some articles was high.

In November, 1785,† an act was passed "for encouraging the manufacture of loaf-sugar in this commonwealth." The method adopted was a rather startling one, consisting simply of the absolute prohibition of the importation of loaf-sugar under penalty of forfeiture.

One year later, November, 1786,‡ all the existing duties were abolished; and a new system was adopted. The duties were all ad valorem, as follows:—

15	per cent.	on plated ware, silver cutlery, earthen and stone ware, silks, cotton goods, beef, pork, soap, and nails.
10	" "	iron and everything made of iron, cordage, cables, and cutlery.
5	" "	everything not mentioned.

There was to be a duty of 1 per cent. on hemp, to be devoted to encouraging the raising of hemp in Massachusetts.

\* *Laws of Massachusetts*, vol. i. p. 300

† *Ibid.*, vol. i. p. 429.    ‡ *Ibid.*, vol. i. p. 626.

The prohibition of certain articles, to encourage their production at home, seems to have grown in favor; for a clause of this act reads:—

And whereas it is the duty of every people blessed with a fruitful soil, and a redundancy of raw materials, to give all due encouragement to the agriculture and manufactures of their own country,—therefore *be it enacted* that the following articles, not the growth or manufacture of any of the United States, be declared to be contraband, and are prohibited from being brought into this State on pain of forfeiture.

The articles prohibited were loaf-sugar, hats of fur, hair, or wool, boots and shoes, vehicles, harnesses, scythes, iron shovels, hoes, articles of dress, porter, beer, ale, butter, cheese, linseed oil, candles, wearing apparel, and wooden furniture. The free list was wool, molasses, dyestuffs, lead, and salt, if imported in American vessels. This act ends the tariff legislation of Massachusetts.

Pennsylvania began legislating on this subject as early as 1780, and by 1788 had passed at least fifteen acts. Of these, her act of Sept. 20, 1785,\* proposes “to encourage and protect the manufactures of this State by laying additional duties on the importation of certain manufactures which interfere with them.” The preamble states in substance that,—

Whereas the fabrics and manufactures of Europe may be imported into this country in time of peace at cheaper rates than they can be made here, yet good policy and regard for the well-being of divers useful citizens employed in the making of goods in this State demand that moderate duties be laid on imports which do mostly interfere with them, and which (if no relief be given) will undermine and destroy useful manufactures of the like kind in this country.

The duties were both specific and ad valorem, without apparent system. Only imports of foreign growth or manufacture paid the duty. Some of the articles taxed were: coaches, 20*l.* each; two-wheel carriages, 10*l.* each; clocks, beer, ale, porter, soap, and candles; shoes, 2*s.* per pair; cotton and wool cards, manufactured leather, paper, 10 per cent. ad valorem; cast iron and steel, wrought copper, brass, slit iron, nail rods,

\* *Pennsylvania Gazette*, October 5, 1785; *Pennsylvania Packet*, September 22, 1785; *Pennsylvania Law Book*, No. 3, p. 44.

sheet iron, 10 per cent.; hats, cordage, fixed rigging, twine, glass, rum, wine; shipping (save of those countries having treaties with the United States), 7s. 6d. per ton; sails, 10 per cent.; and an additional duty of 5 per cent. ad valorem was laid on the importation of all foreign manufactures of refined steel or iron. The last act passed by Pennsylvania was in March, 1788,\* "to encourage and protect the manufactures of that State."

New York in March, 1784,† levied duties on the importation of goods of foreign growth or manufacture. The list of articles paying specific duties was: rum, 4d. per gallon; cordage, 4s. per cwt.; hollow iron, 4s. per cwt.; scythes, axes, saddles, boots and shoes, dressed leather, tea, coffee, and watches; and articles not named (except cocoa, raw hides, molasses, coal, bricks, manufactured tin in blocks) were to pay an ad valorem duty of  $2\frac{1}{2}$  per cent. Masters of vessels must give under oath a manifest of their cargo to the collector of New York within a specified time. Bonds might be given for three months as payment of the duties.

By an act of November, 1784,‡ these duties were revised, and cordage imported from any of the United States must pay the duty. In March, 1785,§ it was proposed "to encourage the importation of goods into this State in vessels built therein and owned by citizens thereof." Accordingly, a double duty was imposed on goods imported in British vessels. On April 12, 1785,|| a bounty of 8s. per cwt. was granted on hemp raised within the State; and, "in order to encourage the raising of hemp and the manufacture of cordage and linseed oil," an additional duty of 4s. per cwt. was laid on cordage, of 2s. per cwt. on hemp, and of 4d. per gallon on oil, which duty was to go to the payment of the bounty on hemp.

The last act of New York was 11 April, 1787.¶ There were specific duties, three classes of ad valorem duties, and a free list. Articles paying specific duties were: steel, 3f.

\* *Pennsylvania Law Book*, No. 3, p. 368.

† *Laws of New York*, session 7, chap. x.    ‡ *Ibid.*, session 8, chap. vii.

§ *Ibid.*, chap. xxxiv.    || *Ibid.*, chap. lxviii.    ¶ *Ibid.*, session 10, chap. lxxxi.

per pound; bar iron, 4s. per cwt.; iron hollow ware, 6s. per cwt.; nail rods, 4s.; cordage, 4s.; spikes, nails, molasses, tea, coffee, salt, dressed and tanned leather, boots, shoes, etc. Ad valorem duties were:—

- 7½ per cent. on harnesses, olives, pictures, pewter, tin, blank books, hats, writing paper, and china ware.
- 5 “ “ “ beef, pork, cheese, butter, soap, candles, and anchors.
- 2½ “ “ “ all non-enumerated articles.

Free list, raw hides, whale oil, mahogany, wool, cotton wool, dyewoods, beaver furs, and deer-skins.

In June, 1785,\* we find Rhode Island laying duties “to encourage the manufactory within the State and the United States.” Ad valorem duties were:—

- 25 per cent. on ready-made garments, canes, toys, etc.
- 20 “ “ “ paper, tinware, boots, shoes, saddles, bridles, wool and cotton cords, whips, and gloves.
- 10 “ “ “ tools, muffs, tippets, ermine, cordage, lines, candles, soap, tobacco, jeweller’s ware, beer, and porter.

Specific duties on axes, scythes, knives, loaf-sugar, hats, iron hollow ware, dressed and tanned leather, cheese, wrought silver and gold, clocks, watches, and wines.

New Hampshire in March, 1786,† passed an act declaring that “the laying of duties on articles of the produce and manufactures of foreign countries will not only produce a considerable revenue to the State, but will tend to encourage the manufacturing many of those articles in the same.” Accordingly, ad valorem duties were laid of four classes:—

- 15 per cent. on jewels, wrought gold, brocades, wrought iron, nails, sugar, linseed oil.
- 10 “ “ “ china and earthen ware.
- 5 “ “ “ wines, beer, porter, pitch, tar, turpentine.
- 2½ “ “ “ all unenumerated articles.

In June, 1786,‡ an act to encourage the manufacture of linseed oil was passed, because “the manufacturing of oil from flaxseed will furnish employment for poor persons, have

\**Pennsylvania Gazette*, August 24, 1785

†*New Hampshire Laws*, 1776–89, p. 152

‡*Ibid.*, 1786, p. 196.

a happy influence on the balance of trade, and greatly contribute to the wealth of the good subjects of this State." In 1787,\* an act "to encourage the erection of mills for slitting, rolling, and plating iron, and to promote the manufacturing of nails" was passed.

The object of the first impost of Virginia was to raise a supply of money for the United States. This was in 1779.† A uniform duty of  $2\frac{1}{2}$  per cent. was laid on goods "bought by any resident to sell again, the duty to be paid by the purchaser." If imported for private consumption, no duty need be paid. Goods coming from other States were subject to the duty. If coming by land, the importer must apply to the clerk of the county, furnish an account of the imports, and pay the duty. Detectors of smuggling received compensation,—in the case of rum, 5s. per gallon. The penalty for evading the duty was confiscation of the goods. Other acts were passed,—1780,‡ 1781,§ 1782,|| 1783,¶ 1784,\*\* 1786,†† and 1787.‡‡ These acts differ from those of the Northern States in that there is no mention of encouragement to manufactures, revenue being the object. The same general classes of articles were taxed as in the examples given above, both specific and ad valorem duties being used.

Maryland also made no mention of protection or of promoting manufactures, her object being revenue. The rate of duty was low, and the specific duties few; but it is not necessary to go into the details of these acts, as they contain no new feature.

The same may be said of Connecticut. Though several acts were passed, no real difference is to be found in them.§§

Some prominent writers, both in history and in economics, have asserted that the United States prior to 1789 were

\* *New Hampshire Laws*, 1786, p. 200.

† Henning's *Statutes at Large*, vol. x. p. 283.

‡ *Ibid.* § *Ibid.*, vol. x. p. 409. || *Ibid.*, vol. xi. p. 122.

¶ *Ibid.*, vol. xi. p. 196. \*\* *Ibid.*, vol. xi. p. 450.

†† *Ibid.*, vol. xii p. 289. ‡‡ *Ibid.*, vol. xii p. 304.

§§ Acts of Maryland were in 1782, 1783, 1784, 1785, of Connecticut, 1784 and 1785. See *Laws of Maryland*, chaps. xlviii, xxvi., lxxxiii., lxxvi., lxiv., *Laws of Connecticut*, 1780-89, pp. 270, 312, 322, and 346.

strongly imbued with the principles of free trade; that, far from having any wish to apply protection, they had little idea of that term, as at present understood. Bancroft says that "in America as yet there existed no system of restrictions. . . . The States had so steadily resisted the British Navigation Acts that the desire of absolute freedom of commerce had become a part of their nature"; and he calls the Americans a "young people which solicited free trade." H. C. Adams, too, argues that protection was ultimately forced on the country against its real wishes by the narrow policy of England. Facts will not sustain this view, at least so far as the Northern States are concerned. Massachusetts, Pennsylvania, New York, New Hampshire, and Rhode Island all passed acts the purpose of which was protection just as truly as that of any acts passed since, though of course they were not so effective. These acts expressly stated that they were to encourage and protect manufactures and agriculture. The only difference between them and the acts of later date is that the duties were not so high,—the result of inexperience. The act of July, 1785, by Massachusetts, raised the duties on beer, ale, porter, furniture, ready-made clothing, to 25 per cent. ad valorem; nails to 15 per cent.; leather,  $12\frac{1}{2}$  per cent.; and the specific duties correspondingly. This act is not much outdone by the act of 1816.

But it was not in the legislatures alone that protection was understood. It was a subject freely discussed in the newspapers of the day. In a letter signed "Friend to Commerce," in the *Independent Chronicle* (Boston) of August 12, 1784, "the necessity of promoting our manufactures, of encouraging our agriculture, and of bringing forward our internal resources," is examined. The writer held that woollens, linens, cloths, and hosiery might, by proper encouragement, be made among ourselves. He would encourage them "either by bounties or by putting it out of the power of the importer, by duties on their importation, to disturb or injure the manufacture." During the war, he said Massachusetts had manufactured all clothing used in the State, and that a start had been given; but now the supply of imported articles discouraged these young manufactures, which, "had no such importations taken place



and the demand for our manufactures become general, would soon have furnished us equally on as good terms as foreign importations." The duty on goods that might be made here "ought to be so high as effectually to destroy their importations." The next assembly "ought to devote themselves to the promotion of our manufactures by laying heavy duties on such articles as can be and are manufactured among us." This is a pretty good statement of the young industry argument.

In the same paper, March 31, 1785, a letter is addressed to the voters of the State, exhorting them to vote only for those who were in favor of laying duties to protect and build up manufactures. Again, April 14, 1785, a letter advises the "prohibition of the importation of articles easily manufactured among us," and that "every branch of manufactures and trade should meet the encouragement necessary for its support." At a meeting of the tradesmen and manufacturers of Boston, April, 1785, it was resolved "that a petition be sent to the next legislature, praying that such duties may be laid on foreign importations of all articles usually made here as will prevent their being brought among us to the injury of such individuals as are now in those manufactures."\* If, now, we compare the dates of this agitation with the dates of the principal acts of Massachusetts, we see at once that the acts were the result of protectionist agitation by the people.

In Pennsylvania, also, there was a popular movement towards protection. The papers contain discussions of it, and there were numerous petitions to the legislature. In 1785, a committee of merchants of Philadelphia petitioned for higher protection. The committee of the House, to whom the memorial was referred, reported:—

That three hundred tons of nails have been imported into this State within a year, worth 19,000*l.*; and that with proper encouragement the whole quantity necessary for the consumption of the State may be made here; that with bar iron it appears a sufficient quantity may be made in this State for its use and for exportation, but that by the large importations lately made the price is so much reduced as to disable the owners of forges to go on with their business. Your committee, however, view-

\* *Independent Chronicle*, May 12, 1785.

ing bar iron as necessary to the agriculture and manufactures of the State, are doubtful of the propriety of imposing a tax on its importation now.\*

Accordingly, the tax on nails was raised, while no tax was imposed on the bar iron. In this decision, the committee showed a keener knowledge of how protection should be applied than has been shown by the framers of some of our more modern acts. They saw a tax on bar iron would be prejudicial to manufacturers generally, and would, by nullifying the effects of duties on manufactures, thwart the object of protection. In 1824 and 1828, we have seen a tax laid for the purpose of protecting woollen manufactures rendered useless by another tax on wool. And during and since the war of 1861 we have seen to what evils and needless complications the compensating process has led.

From all this, it is clear enough that the States sought protection for the sake of building up manufactures. It was natural that they should. To suppose that they had any special predilection for free trade, at a time when restriction was the policy of the world, and while the mercantile system had not yet lost its grip save among a few economists, is to suppose them far ahead of the times.

Nor would their policy have been different if England had practised perfect reciprocity with them at the beginning. What led to the imposition of protective duties was the great flood of imports from Europe after 1783. The people, not understanding the working of international trade, supposed they would lose all their specie and become bankrupt.† They saw, too, the effect on their struggling manufactures; and their patriotism was aroused. They were determined to keep what money was already in the country. Now, these conditions would not have been changed if England had had free trade. She had an industrial advantage; and, in any case, these vast importations would have come in, so that the real grievance would have been present. No doubt, the fact that England placed restrictions on American vessels aggravated the trouble; but it was by no means a primary cause.

M. E. KELLEY.

\* *Pennsylvania Gazette*, February 1 and 15, 1786.

† In an act of Massachusetts, a reduction of 10 per cent. of the duty was allowed when the specie for the payment of the duty was imported with the goods. *Laws of Massachusetts*, vol. 1. p. 526.